AUDIT AND EVALUATION OF RETAIL TRADE ACTIVITY IN SAVANNAH, GEORGIA

by William D. Roberts
INDUSTRIAL DEVELOPMENT DIVISION

Project A-834

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Engineering Experiment Station
GEORGIA INSTITUTE OF TECHNOLOGY
Atlanta, Georgia

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Prepared for

The City of Savannah

and

The Commissioners of Chatham County

by

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Foreword

This report is one of a series being prepared for the Community Resources Council of Savannah and Chatham County -- a Council established by the governing bodies of Savannah and Chatham County. Composed of the Mayor of Savannah, Chairman of the Chatham County Commissioners, and representatives of various quasi-public and private groups whose efforts are devoted to the general welfare and economic development of the community, the Community Resources Council is responsible for the economic adjustment process necessitated by the closing of Hunter Air Force Base.

Since the application of research findings and the solution of problems are the focal points of the work in process, much of the work being done will not appear in the form of finished reports. Rather, every effort is being made to translate findings into action and into new jobs at the earliest possible time. A series of formal reports will, however, appear on various special subjects like this one on retail trade.

The first such report appeared simply as an attachment to the first progress report because of the importance of transmitting the findings as quickly as possible. It dealt with the estimated dollar impact of the projected closing of the base -- and produced figures far less than the loss previously anticipated. A total annual loss of only $13.5 million can be expected when the base is completely phased out.

The second report focused on tourism -- like retail trade, one of the best sources of new payrolls in the months immediately ahead. In each case findings were reviewed with representatives of both the project sponsors before being printed for general release.

Work currently in process focuses on additional manufacturing opportunities, possible expansions of existing industry, and alternative uses of the Hunter Air Force Base facilities and acreage. Throughout the period when the analyses are in preparation, findings and recommendations will be transmitted to the Council so that appropriate action can be taken without waiting for the printing of any additional formal reports which may be submitted.

In addition to increasing retail trade of the area by successfully competing for dollars being spent in other communities by some citizens of Savannah, a vigorous property improvement program, particularly in the downtown area, can in itself generate a significant economic activity. Moreover, what is presently a deterrent to industrial development could be converted to a positive factor in attracting new industrial payrolls. Today the competition between communities in efforts to attract or hold industry is exceedingly keen. A city which overlooks its weaknesses is courting frustration in its attempts to attract sophisticated manufacturing companies, for it is well known that industry looks at many aspects of community life, in addition to the physical facilities necessary for its operation. The amenities of life available for a company's employees at times are equal in importance to the physical plant requirements.

The physical appearance of Savannah, the courteous reception (or absence thereof) from taxi drivers, desk clerks, and sales clerks are frequently as important elements of the over-all impression left in the mind of an industrial prospect as the tax rate, energy costs, and political sophistication. Savannah itself is as much part of the "package" to be sold to the prospect as the plant site, water supply, or cost of labor. At the moment, a great deal remains to be done to put Savannah in a competitive position.

The total cost of the project, because of its unusual nature, is being shared by the City and the County, on the one hand (each paying one fourth), and the Industrial Development Division.

Questions and comments are invited.

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Summary

Although the economy of Savannah is relatively strong and income per household has increased steadily over the past five years, retail sales for the area have not grown as fast as they have in other Georgia cities of comparable size. For example, if retail sales in Savannah had merely kept pace with sales in Columbus from 1958 to 1963, Savannah would have had an additional $25,492,000 of sales for that period. Or, if sales in Savannah had kept pace with sales for the state as a whole, Savannah would have had an additional $30,475,000 in retail sales for the period.

A consumer survey of 172 households in Savannah revealed a general lack of loyalty of shoppers toward local merchants. Comments received in the survey indicated that the greatest consumer dissatisfaction is directed at three phases of retailing: a lack of a variety of high quality merchandise, inadequately trained sales personnel, and poor customer relations.

Probably the most obvious handicaps to greater retail activity in Savannah are the lack of parking facilities and traffic congestion in the downtown area. These problems are accentuated on week ends and during holiday seasons. While the total number of parking spaces in the downtown area are generally sufficient, most of the spaces are not located in the areas of the central business district where the demand is greatest.

With the exception of a few stores, the downtown area is unappealing to the shopper. A large number of vacant stores, coupled with many unattractive ones, leave the area with a "depressing" look. Dirty sidewalks and streets contribute to the unattractiveness of the central business district.

Perhaps the most striking observation made by the survey team is the lack of cooperation and unity among the merchants. It is generally acknowledged that greater results can be achieved through collective efforts rather than individually. This is especially true for retail promotions. To a large extent, however, local merchants have not aggressively pursued the goal of increased retail sales through collective programs. Active associations of retail merchants can provide a strong tool for preserving and furthering the interests of the retail community.

There should be no serious long-term economic loss to the retailing community in Savannah as a result of the closing of Hunter Air Force Base. It is anticipated that the closing of the base will unify the efforts of merchants to stimulate retail sales. However, it is probable that the smaller stores, and especially those in the lower-priced lines of consumer goods, will decline in number. This action will likely result from a loss in purchasing power in the lower income groups, as well as a probable increase in competition from larger stores. Middle and upper-price-line stores can minimize the impact through more aggressive merchandising efforts as the consumer market reshapes itself.

Only through aggressive, cooperative action can Savannah offset the short-term economic losses associated with the closing of Hunter Air Force Base, capitalize on the potential retail sales volume in the trading area, and keep pace with the retail sales activity of other metropolitan areas in the state. The following action is recommended:

1. The Downtown Merchants Association should meet with appropriate government officials to insure that the off-street parking needs of the central business district are fully considered in any final plans resulting from the current study being made by the Metropolitan Planning Commission.

2. The Downtown Merchants Association should encourage local government officials to consider changes in current traffic patterns which would facilitate traffic flow into and within the downtown shopping area. Representatives of the Association should also meet with planning officials and express their interests and opinions on the routes under consideration for connecting the south side of Savannah with the downtown area.

3. The city or county engineering departments, upon request of local merchants, should investigate the potentially hazardous problems of exit and entry at several shopping centers in the area to determine what action is necessary to eliminate or reduce the problems.

4. The city or county governments should take steps to insure that the present poor standards of housekeeping are improved on the rights-of-way of routes leading into the downtown area and on the streets and sidewalks within the area.

5. The Downtown Merchants Association needs to be reactivated with the strong support of all merchants. Both the Downtown Merchants Association and

the Suburban Merchants Association should broaden the scope of their activities to insure that the interests of the retail community are met in such areas as city planning, tourist promotion, tax structures, industrial development, and city and county services.

6. It is recommended that the Downtown Merchants Association cooperate with the Downtown Revitalization Committee in attaining mutually beneficial goals, specifically those relating to improved parking, more convenient accessibility to the downtown area, a better environment on Broughton Street, and a clean-up of the downtown area.

7. If for no reason other than the economic benefit which would accrue to them, the merchants of Savannah should vigorously support efforts to stimulate tourist trade.

8. Since it is the responsibility of the individual retail store manager to insure that his customers are served by well-groomed, pleasant, and well-informed salespeople, it is recommended that each merchant undertake to evaluate employee performance on a systematic basis and that each store not having a training program adopt one suitable to its needs.

9. The Downtown Merchants Association and the Downtown Revitalization Committee should sponsor jointly a campaign to encourage merchants and landlords having properties on Broughton Street to improve the exteriors and interiors of these properties.

10. While it is not economically feasible for all stores to carry very broad lines of merchandise, it is recommended that each store manager re-evaluate his current lines of merchandise to arrive at an over-all line which would have the greatest appeal to his clientele.

11. The Downtown Merchants Association should encourage and coordinate a plan of cooperative advertising aimed at attracting people into the shopping area.

12. The most effective defense for a merchant against the lure of competing trade centers is the creation of a customer following based on something other than his convenient location or his personal friendship with customers. Such factors as the quality of customer service or the attractiveness of the store are important in building new trade. An awareness of these principles has been demonstrated by several successful stores in Savannah; the concept could be profitably applied by some of the other outlets.

INTRODUCTION

This study of retail trade in Savannah is one phase of a comprehensive analysis of the economic impact of the closing of Hunter Air Force Base. The study assumes a broader perspective, however, because of the nature of retailing itself -- a segment of the economy affected by a variety of factors, including the merchandising practices of the retailers themselves, the response and attitudes of the consumer groups, the influence of local governing bodies, and the general business and industrial climate which creates the buying power in the community.

The objectives of this study can be summarized as follows:

1. To evaluate the existing status of retail trade activity in Savannah.
2. To determine both current and potential problems in the field of retail trade development.
3. To analyse the impact of the closing of Hunter Air Force Base.
4. To design an action program to prevent or alleviate problems affecting the growth of retail trade in Savannah.

The observations, conclusions, and recommendations contained in this report are based on information secured from published sources, discussions with local business and civic leaders, and interviews with both retailers and consumers. The approach to the study followed closely the guidelines established at the outset of the project:

1. Published data on retail trade activity in Savannah were accumulated and evaluated. Particular attention was given to the period 1958 through 1963 and to the trends which developed during this period.
2. Discussions were held with local business and civic leaders to secure background information concerning local merchandising practices.
3. A consumer survey was conducted to identify the buying habits of local residents and to establish a pattern of their likes and dislikes of local merchandising practices. The consumer survey form is reproduced in Appendix 1. It is appropriate at this point to acknowledge, with grateful appreciation, the cooperation of the Savannah Business and Professional Women's Club and the Ministers' Wives Club for their valuable role in the completion of this survey.

4. An evaluation was made of other factors influencing retail trade activity. This analysis included appraisals of traffic flow, parking facilities, display and advertising practices, merchandising policies, and customer service practices.

THE STATUS OF RETAIL TRADE ACTIVITY IN SAVANNAH

Background

The traditional definition of a "good" retail town would include these elements:

1. A solid industrial or agricultural base as a generator of buying power within the trading area.
2. An aggressive retailing community, characterized by a strong atmosphere of healthy competition.
3. A consumer point of view which results in a sense of loyalty to local stores -- born from the buyers' conviction that local merchants offer good quality at fair prices with reasonable service policies.

By some standards, Savannah is not a good retail town. A chief executive of a major retail chain (not located in Savannah) has described the city as "a lethargic, sluggish, retail town." A look down Broughton Street reveals a substantial number of vacant stores. The physical appearance of many parts of the downtown district is more than unattractive. With some obvious exceptions, merchants have not kept pace with the kind of merchandising techniques found profitable in other cities of comparable size. The Merchants' Association is reportedly ineffective in its efforts to encourage greater cooperation among merchants. Per household buying has decreased in the face of an increase in per household purchasing power. There is a generally lackluster atmosphere in many parts of the retailing community.

Such strong statements are not intended as an indictment of Savannah retailers in general. Some do an excellent job of merchandising. These statements are intended as a realistic estimate of the retailing community from an outsider's point of view. <u>Significantly, it is the outsider's point of view which must serve as a point of departure in shaping recommendations for action</u>. While the future growth of Savannah's retail trade depends in part on the continued good will of existing consumers, the real growth must come from the buying power introduced by newcomers to the community. It is this latter group -- the tourist, the visiting businessman, the industrial prospect searching for a plant site -- which will shape the growth pattern.

The citizens of a community tend to become accustomed to local sights and practices and to regard them with a degree of tolerance. The newcomer, as a potential consumer, has had his standards shaped in another environment; he is rarely as tolerant if local practices conflict with what he considers acceptable. The recommendations in this report, therefore, are based on a consideration of the action necessary to make the retailing community appealing for both the existing and the new consumer.

Retail Sales Trends, 1958-1963

For many years the economy of Savannah has been quite stable. Contributing to this stability has been a strong manufacturing complex, heavy port activity, substantial tourist and convention business, and military spending. Recently, the announcement has been made that Hunter Air Force Base, with a $24 million annual payroll, is to be closed. While the greater portion of this payroll is spent on the base, it must be recognized that retail sales in Savannah will probably suffer as a result of this loss. Estimates have placed the decrease in retail and wholesale sales in the area at approximately $13.5 million over a period of two years.

To a substantial degree, the merchants can influence this potential decline in sales. The answer lies in improving over-all merchandising practices within the Savannah retailing community. The net result of this action should stimulate a broader trading area by attracting new customers to Savannah from the surrounding districts and should create a greater response from Savannah consumers themselves.

In retrospect, Savannah retailers may not have kept pace with the opportunities available to them in the increasing buying power and the growing number of households within Savannah. Sales Management, a leading trade magazine, reports in recent issues of its annual Survey of Buying Power a gradual increase in the income of Savannah households. However, data from the Census of Business do not reflect the increase in sales that normally would be expected in Savannah, one of the largest metropolitan areas of the state. For example, Table 1 indicates the total retail sales by type of establishment in the Savannah Metropolitan Area in 1958 and 1963. During this period, total sales increased $26 million, or 13.6%. The most significant increase occurred in the categories of general merchandise, food, automobiles, and gas. Moderate increases were found in the categories of furniture and appliances, eating and

Table 1

RETAIL SALES IN SELECTED GEORGIA METROPOLITAN AREAS, 1958 AND 1963
(in thousands of dollars)

Sales Category	Savannah 1958	Savannah 1963	Augusta 1958	Augusta 1963	Columbus 1958	Columbus 1963	Macon 1958	Macon 1963
Total Retail Sales	191,672	217,677	194,344	249,162	180,911	229,498	170,231	231,777
Lumber and Hardware	11,256	9,230	11,852	13,557	8,854	9,197	10,717	12,795
General Merchandise	20,577	25,610	24,031	36,242	26,947	30,819	23,285	29,542
Food Stores	44,441	49,002	48,648	54,754	43,100	48,205	39,583	51,738
Automotive Dealers	31,643	44,460	33,299	53,415	30,033	53,656	28,364	51,705
Gasoline Service Stations	14,665	20,718	15,828	20,430	14,151	19,967	14,722	19,407
Apparel, Accessory Stores	19,644	17,465	13,640	13,541	12,369	15,338	11,771	13,107
Furniture, Home Furnishing Stores	10,992	12,286	9,479	10,376	12,040	12,537	9,590	12,929
Eating, Drinking Places	10,796	11,822	10,285	13,662	9,726	12,912	7,886	11,235
Drugs, Proprietary Stores	6,691	7,020	6,219	8,567	5,064	6,862	5,972	6,811
Other Retail Stores	16,991	14,872	16,861	20,381	14,676	14,911	16,079	17,565
Non-Store Retailers	3,956	2,930	1,202	4,237	3,951	5,058	2,262	4,943

Source: U. S. Department of Commerce, 1963 Census of Business - Retail Trade drinking, and drugs. Decreases were noted for lumber and hardware, apparel, non-store retailers,[1/] and other retail stores.

Also included in Table 1 are the total retail sales by type of establishment for Augusta, Columbus, and Macon. These cities experienced net increases in total retail sales from 1958 to 1963 of 28.2%, 26.9%, and 36.2%, respectively, each a considerably greater increase than was experienced in Savannah.

Table 2 indicates in summary form the comparative gains of Savannah, Macon, Augusta, Columbus, and the state of Georgia as a whole. Table 3 illustrates the change in retail sales volume in each of the four cities as a percentage of the state's total.

Table 2

GROWTH IN RETAIL SALES, GEORGIA AND SELECTED METROPOLITAN AREAS, 1958-1963
(in thousands of dollars)

Area	1958	1963	Percentage Increase
Georgia	3,528,326	4,570,023	29.5
Macon	170,231	231,777	36.2
Augusta	194,344	249,162	28.2
Columbus	180,911	229,498	26.9
Savannah	191,672	217,677	13.6

Source: U. S. Department of Commerce, 1963 Census of Business -- Retail Trade

Tables 1, 2, and 3 suggest the potential which may have been bypassed by the Savannah retailing community. For example, if retail sales in Savannah had merely kept pace with sales in Columbus from 1958 to 1963 (i.e., had increased 26.9% instead of 13.6%), Savannah would have had an additional $25,492,000 of sales for the period. Or, if sales in Savannah had kept pace with sales for the state as a whole, which had an increase of 29.5%, Savannah

1/ Includes mail order houses, direct selling organizations, vending machine operators, etc.

would have had an additional $30,475,000 in retail sales for the period. It seems reasonable to expect that Savannah's rate of growth of retail sales should be proportionate to that of the state as a whole, especially since much of the state is considered to be rural.

Table 3

PROPORTION OF RETAIL SALES IN SELECTED METROPOLITAN AREAS, 1958 AND 1963

Metropolitan Area	Percentage of Total Retail Sales in Georgia 1958	1963
Augusta	5.5	5.5
Macon	4.8	5.1
Columbus	5.1	5.0
Savannah	5.4	4.8

Source: U. S. Department of Commerce, 1963 Census of Business -- Retail Trade

On the basis of these data, there is some evidence to indicate that Savannah retailers, as a broad category and recognizing that there are individual exceptions, have not shown the aggressive merchandising spirit which has characterized some other reasonably comparable communities.

EXISTING AND POTENTIAL RETAIL TRADE PROBLEMS

The appraisal of current and potential problem areas cannot be approached from one single point of view. A realistic appraisal can be secured only by examining the retailing climate from several different perspectives. In this case, the identification of problem areas has been shaped by the comments of consumers, the personal opinions of individual merchants, and the objective evaluation of an outside audit team.

Opinions and Attitudes of Consumers

Of critical importance to the total picture of the trade environment are the attitudes of consumers toward the merchandising practices of local retailers. The consumer survey results reported in this section are based on sampling interviews covering 172 households in Savannah.

Purchasing Habits. Perhaps the most interesting findings in regard to the purchasing habits of Savannah consumers relate to their preferences in shopping location and the reasons for these preferences. (See Tables 4 and 5.)

Items most frequently purchased in the downtown area fall into the categories of automobiles, clothing, and furniture and appliances. The most frequently mentioned reason for purchasing these items downtown was the availability of a greater variety of quality and styles. Several respondents indicated "convenience" as a reason for shopping downtown, which probably indicates that for a number of consumers the lunch hour is also a time for shopping.

Most consumers indicated shopping centers or neighborhood stores as the places where they would most likely purchase such items as groceries, drugs, and hardware and building supplies. The primary reasons for purchasing these goods at shopping centers or neighborhood stores were convenience and the availability of parking.

Noteworthy is the fact that very few shoppers indicated that their buying habits were influenced by advertising or by service policies. Normally, under proper circumstances, these factors can influence consumer buying habits significantly.

Table 4

CONSUMERS' PREFERENCES IN SHOPPING LOCATION

Item	Per Cent Mentioning
Groceries	
Downtown	18
Shopping center	50
Neighborhood	23
Any of above	9
Lumber	
Downtown	20
Shopping center	53
Neighborhood	8
Any of above	19
Drugs	
Downtown	24
Shopping center	57
Neighborhood	11
Any of above	8
Furniture and Appliances	
Downtown	57
Shopping center	21
Neighborhood	-
Any of above	22
Automobiles	
Downtown	65
Shopping center	15
Neighborhood	-
Any of above	20
Clothing	
Downtown	60
Shopping center	20
Neighborhood	-
Any of above	20

Table 5

CONSUMERS' REASONS FOR PREFERENCES IN SHOPPING LOCATION
(per cent mentioning)

Lumber

Reason	Downtown	Shopping Center	Neighborhood	No Preference
Convenience	3	29	2	2
Habit	-	-	2	-
Advertising	-	-	-	-
Price	3	2	-	8
Styles	-	-	-	-
No Reason	1	14	-	1
Credit	-	-	-	-
Parking	-	14	1	-
Variety	6	1	-	1
Service	-	-	1	-
Friends	-	-	-	1
Quality	1	-	-	-
Hours	-	-	-	-

Drugs

Reason	Downtown	Shopping Center	Neighborhood	No Preference
Convenience	5	33	4	2
Habit	-	2	2	-
Advertising	-	-	-	-
Price	3	2	-	1
Styles	-	-	-	-
No Reason	3	10	3	1
Credit	-	-	-	-
Parking	-	8	-	-
Variety	-	-	-	-
Service	1	1	-	-
Friends	-	-	-	-
Quality	-	-	-	-
Hours	-	-	-	-

Table 5 (continued)

CONSUMERS' REASONS FOR PREFERENCES IN SHOPPING LOCATION
(per cent mentioning)

Clothes

Reason	Downtown	Shopping Center	Neighborhood	No Preference
Convenience	8	6	-	1
Habit	2	-	-	-
Advertising	-	-	-	-
Price	1	1	-	4
Styles	-	-	-	-
No Reason	10	9	-	5
Credit	1	-	-	-
Parking	-	2	-	-
Variety	20	-	-	4
Service	-	-	-	-
Friends	-	-	-	1
Quality	1	-	-	1
Hours	-	-	-	1

Groceries

Reason	Downtown	Shopping Center	Neighborhood	No Preference
Convenience	2	30	8	-
Habit	1	1	2	-
Advertising	-	1	-	1
Price	3	2	1	4
Styles	-	-	-	-
No Reason	1	3	2	-
Credit	-	-	-	-
Parking	-	9	-	-
Variety	-	1	-	1
Service	-	2	-	2
Friends	-	-	-	1
Quality	-	-	-	-
Hours	-	-	-	-

Table 5 (continued)

CONSUMERS' REASONS FOR PREFERENCES IN SHOPPING LOCATION
(per cent mentioning)

Furniture and Appliances

Reason	Downtown	Shopping Center	Neighborhood	No Preference
Convenience	2	4	-	-
Habit	4	-	-	-
Advertising	-	-	-	2
Price	1	2	-	8
Styles	12	7	-	-
No Reason	2	1	-	-
Credit	-	4	-	-
Parking	15	-	-	3
Variety	-	1	-	-
Service	-	-	-	-
Friends	1	-	-	2
Quality	-	1	-	-
Hours	-	-	-	-

Automobiles

Reason	Downtown	Shopping Center	Neighborhood	No Preference
Convenience	2	2	-	18
Habit	2	2	-	-
Advertising	-	-	-	-
Price	4	2	-	6
Styles	6	4	-	10
No Reason	32	2	-	2
Credit	-	-	-	-
Parking	-	2	-	-
Variety	2	-	-	-
Service	-	-	-	-
Friends	-	-	-	-
Quality	-	-	-	-
Hours	-	-	-	-

Influence of Other Cities. A large number of consumers indicated that they shop in towns other than Savannah. (See Table 6.) Atlanta was named as the city most frequently visited for shopping. Other cities frequently mentioned were Jacksonville, Miami, and New York. Several consumers indicated that shopping trips were combined with pleasure trips or vacations.

Table 6

INFLUENCE OF OTHER TOWNS ON SAVANNAH CONSUMERS

	Per Cent Mentioning
Shop in Towns Other than Savannah	33
Atlanta	47
Other Georgia towns	32
Outside Georgia	21
Items Bought Outside Savannah	
Clothes	67
Household goods	16
Automobiles	7
Miscellaneous	10
Reasons for Purchasing Outside Savannah	
Variety	32
Price	9
Pleasure of trip	34
Other	10
No response	15

Clothing is the most commonly purchased item in other cities. Many shoppers felt that other cities offered a greater variety of styles and quality of clothes. Automobiles, miscellaneous items, and household goods are also frequently purchased outside Savannah.

Consumers' Evaluations of Savannah Retailers. By far the most meaningful to consumers is the courtesy of the local merchants. It is significant, however, that 63% did not even respond to the question, "What do you like best about Savannah retailers?" (See Table 7.)

Findings as to opinions on specific practices and policies indicate the greatest consumer dissatisfaction to be with the competency of the sales personnel, the variety of merchandise available, and customer relations policies.

Among Negro respondents, there was frequent mention of the need for a more consistent pattern of courtesy to members of their race.

Table 7

CONSUMERS' EVALUATIONS OF SAVANNAH RETAILERS
(per cent mentioning)

Evaluation of:	Excellent	Satisfactory	Marginal	Unsatisfactory
Credit policies	22	63	10	5
Competitive prices	11	58	20	11
Variety of merchandise	13	53	25	9
Quality of sales training	18	65	11	6
Customer service	5	61	24	10
Sales personnel	8	47	32	13
Attractiveness of displays	17	59	20	4
Customer relations	5	59	28	8

Like best about Savannah retailers:	Per Cent Mentioning
Courtesy	26.0
Service policies	1.8
Credit policies	1.8
Pricing policies	.4
Convenience	3.5
Variety	3.5
No comment	63.0

Needed Improvements. Those areas of improvement mentioned most frequently by the consumers who participated in the survey were the need for more competent sales personnel, a broader variety of merchandise, and improvements in customer relations policies.

Approximately 58% of the respondents indicated that they thought the downtown shopping district was unattractive. Most comments were directed to the need for improving the exteriors of stores and cleaning of streets and sidewalks. Frequent comments were also made about the depressing effects of the vacant stores in the downtown area.

In contrast, 77% of the respondents considered the shopping centers attractive. Particular comments referred to the modern and well-kept facilities which were apparently appealing to most consumers.

Parking facilities in the downtown area were considered inadequate by 67% of the consumers. Most suggestions referred to the need for more parking facilities near the intersection of Bull and Broughton streets and for increased time limits on parking meters. On the other hand, 62% of the consumers felt that parking facilities at shopping centers were adequate. (See Table 8.)

Suggestions for Improving Downtown Area and Shopping Centers. When asked what improvements are needed most in order to make the downtown area a better place to shop, most respondents mentioned improved parking facilities and traffic control and a cleaner, more modern appearance for the central business district. These comments indicate a great concern by many consumers over the difficulty of getting downtown and finding a parking place. Other comments reflect a definite concern over the unattractive appearance of downtown. (See Table 9.)

In contrast, most consumers feel the suburban shopping areas are attractive and very convenient. Their only suggestions for improvements of these areas related to increasing the variety of merchandise and initiating better traffic control.

Consumers' Evaluations of Services. A large department store was most frequently mentioned as a needed addition in Savannah. Additional comments referred to a need of restaurants and theaters, especially in local neighborhoods. Need of several varied services were mentioned, but most were insignificant. (See Table 10.)

Table 8

CONSUMERS' OPINIONS ON NEEDED IMPROVEMENTS

Areas Needing Improvement	Per Cent Mentioning
Better-trained salespeople	24
Customer relations	7
Higher-quality merchandise	2
Lower prices	5
Increased competition	1
Greater variety of merchandise	20
No response	41
Evaluation of Appearance of Shopping Areas	
Downtown	
Attractive	34
Unattractive	58
Fair	3
No opinion	5
Needed Improvements	
Appearance of stores	55
Vacant buildings	21
Streets and sidewalks	15
Eliminate congestion	9
Shopping Centers	
Attractive	77
Unattractive	13
Fair	-
No opinion	10
Needed Improvements	
None mentioned	
Evaluation of Parking in Shopping Areas	
Downtown	
Good	25
Fair	-
Poor	67
No opinion	8
Shopping Centers	
Good	62
Fair	-
Poor	3
No opinion	35

Table 9

CONSUMERS' SUGGESTIONS FOR IMPROVING DOWNTOWN AREA AND SHOPPING CENTERS

Downtown

Areas Needing Improvement	Per Cent Mentioning
Parking facilities	44
Appearance of stores	10
Cleanliness of streets and sidewalks	8
Large department stores	7
Lighting in stores	1
Traffic control	3
Fair employment practices	1
Longer hours	2
More sales	1
Condition of streets	2
No comment	21

Shopping Centers

Areas Needing Improvement	
Variety of merchandise	22
Traffic control	5
Large department stores	7
Better-trained sales personnel	1
Fair employment practices	3
No comment	62

Table 10

CONSUMERS' OPINIONS ON TYPES OF ESTABLISHMENTS NEEDED IN SAVANNAH

Types of Establishments Needed	Per Cent Mentioning
Department stores	32
Theaters	3
Children's clothes	1
Bakeries	1
Hobby shops	1
Variety store	1
Discount house	2
Self-service dry cleaner	1
Appliance servicing	2
No comment	55

Reactions of Individual Retailers

Individual interviews were held with a representative number of merchants selected because of their trade lines, store locations, and estimated gross sales. Some typical comments are quoted below:

> The downtown area is declining, and the shopping centers are taking more and more of our trade.
>
> By our standards, Savannah just isn't a good retail town.
>
> The power structure in this town is the worst thing wrong with retailing. The people who have most of the influence have not encouraged industry to come in, and we've suffered from this lack of new industry.
>
> What we need most is an easy access from the Southside and plenty of parking in the central business district.
>
> If we can only get the people downtown, they'll buy.
>
> The hardest job would be to get the downtown merchants to work together.
>
> The only thing Savannah needs is more industry and more jobs. We have a nice store and we advertise, what else can we do?
>
> We need more parking. People aren't going to walk a mile to shop. Sure we have parking, but it's too far from most of the stores.
>
> Maybe Hunter's closing will pull the merchants closer together and make them more aggressive.
>
> We are already planning to do some remodeling and expand our lines of merchandise.

Outside Audit Findings

While the opinions and attitudes of consumers and merchants are important, the viewpoint of an outside audit team has significance because of the entirely objective impressions which can be secured. The audit team evaluated seven major areas of importance: the extent of cooperative effort among retailers, the merchandising practices of individual stores, the caliber of retail sales personnel, the variety and quality of merchandise lines, the interior appearance of stores, the exterior appearance of both the public thoroughfares and of store buildings, and the traffic and parking pattern within the central business district and shopping centers.

Cooperative Effort among Retailers. Perhaps the most striking observation concerning retail promotions in Savannah is the relative lack of cooperative effort. While both downtown merchants and suburban merchants have cooperative promotional efforts for a few holidays and sales, there appears to be a basic lack of aggressiveness on the part of many retailers. Only five or six stores in the entire area maintain consistently strong advertising campaigns. Most smaller stores advertise sporadically, if at all, mainly because of their relatively small profit margin. If for no other reason than the economics involved, cooperative advertising should appeal to almost any store.

Aside from the economics involved, cooperative advertising is useful in attracting shoppers into a trade area through the magnitude of the promotion itself. Most merchants will agree that if you can get the shoppers into the area, they will buy something. This is a case in which the self-interest of the individual merchant can be best served by a cooperative merchandising effort.

Savannah does not have very large department stores such as Marshall Field's of Chicago or Macy's of New York which have extraordinary advertising programs. Savannah's retail community is composed of many specialty shops and a relatively few moderate-sized department stores. Owners of stores and shops cannot afford to wait for the "big stores" to draw the people into the area, whether it be downtown or suburban. Rather, the attraction of customers must be a joint effort for all merchants concerned.

Merchandising Practices. The management of a store must be familiar with and have the capabilities to use the modern merchandising techniques and tools now widely accepted by aggressive retailers. While retailing is in part an art, it is rapidly approaching the state of a science, especially in larger cities. Typically, retailing does not offer large profit margins, and store managers must be aware of every possible way to preserve this margin. Management must be capable of (1) effectively planning the layout of the store for optimum return on the various departments, (2) buying merchandise in the quality, style, and price line desired by the customer, (3) planning policies and procedures for handling such services as charge accounts and returns, and (4) selecting the merchandising techniques which will be employed to promote the sale of goods.

By and large, merchandising practices in Savannah appear to lack imagination. There are exceptions, of course, but the general tone of retailing promotion seems to be shaped in a pleasant but conservative approach to meeting consumer needs. There is relatively little effort directed toward creating demand.

While skillful sales promotion, displays, and other attractions are important, such matters as opening a charge account, returning an item, or securing customer services are equally important to the customer. The manner in which these transactions are handled has a direct effect on consumer attitudes and on the resulting volume of sales. The manager of a store must be cognizant of the value a customer places on policies that affect him, and he must constantly review these policies with the objective of making them more favorable to the customer.

<u>Caliber of Personnel</u>. Often overlooked in an effort to stimulate retail trade is the necessity of evaluating the effectiveness of the personnel involved. Frequently, the caliber of sales personnel proves the difference between success and failure, or between considerable or moderate success.

The sales clerk has the task of conveying the store's intentions and policies to the shoppers, of assisting them, and of creating a pleasing atmosphere which would encourage the shopper to buy.

The customer has a right to expect the salesperson to be courteous and well-groomed, to have a good knowledge of merchandise and procedures, and to be aggressive but not annoying. The margin in retailing does not always allow for lucrative salaries, and top-notch sales personnel are often hard to find. These facts re-emphasize the need for sound training and a periodic review of their effectiveness on the job.

Comments received in the survey indicated a high degree of consumer dissatisfaction with sales personnel. Improved training and supervision offer a direct approach toward reaching the goal of increased sales.

<u>Variety and Quality of Merchandise</u>. The central business district has the potential advantage of the concentration of a large number and assortment of stores and a greater variety of merchandise. However, shoppers will patronize the area only as long as these advantages are real.

Comments received in the survey indicated that the variety of goods in Savannah is not as wide as it should be. Many shoppers indicated that certain qualities and styles of goods are bought in other cities. While it is not feasible for every store to carry a very wide variety of stock, retailers must evaluate stock lines periodically in light of consumer needs.

Most shopping centers in the Savannah area are not designed to compete substantially with the downtown area. Several are quite small and are primarily designed to fulfill the everyday needs of the family. Shopping centers that have stores which are branches or members of national chains are apparently quite successful. Over-all, however, the sheer number and assortment of stores downtown gives it an advantage over shopping centers as far as the variety of merchandise is concerned.

Interiors of Stores. Equally important as the access into a shopping area and the general appearance of that area is the environment at the point of sale. A fresh coat of paint on the store front to attract customers is not enough; the interior of a store is a strong factor in shaping the attitudes of shoppers. For this reason, the manager of a store must insure that its interior is pleasing to the customer -- that it is inviting and conducive to shopping. While different types of stores require different interiors, there are specific factors which contribute to the over-all enhancement of any store. Among them are clean floors and shelves free from dust, adequate lighting, neatly displayed stock, and appropriate decor. Each factor can and should be an incentive for a customer to shop in a particular store.

The downtown and suburban shopping areas of Savannah have many stores with fine interiors. There are, however, some stores which need to evaluate their interiors with the objective of determining improvements which would enhance their customer appeal. Many improvements can be made at a minimal cost through better housekeeping. The extent of improvements relating to structural changes and changes in decor must be made according to their economic justification.

Physical Appearance of Downtown Area. The downtown area of any city should be its showcase. The central business district is normally considered to reflect the attitudes of the people, the aggressiveness of the merchants, and, in general, the prosperity of the town. The appearance of this area often creates a lasting impression for a person visiting the town for the first time. This is important because the visitor may be a tourist or industrial prospect whose decision to stay in Savannah or leave may be based on the impression left by the central business district. The appearance of the central business district can be a deciding factor in attracting industry to Savannah. Finally, a clean, modern, impressive central business district is important in shaping the attitudes of local residents.

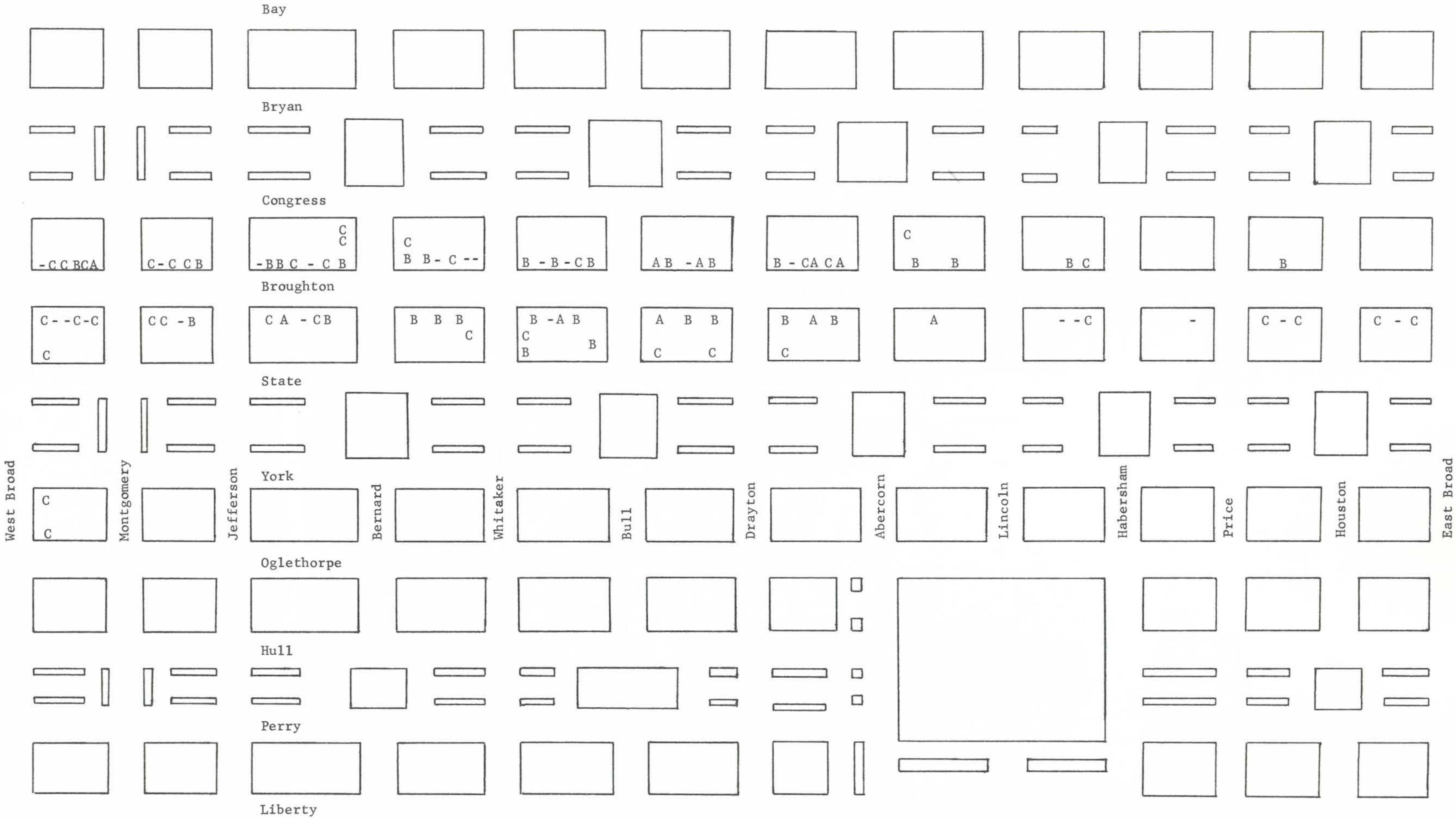
The audit team rated the appearance of the exteriors of retail outlets in the central business district based on a consideration of (1) the attractiveness of the display window; (2) the condition of the structure, including the need for repairs or structural changes; (3) the appeal of the entrance to the store; (4) the cleanliness of the sidewalks in front of the store; and (5) the over-all attractiveness of the structure. Only 11% of the exteriors received a rating of "good." In contrast, 49% of the exteriors received a rating of "poor," while 40% were rated as "average." (See Chart 1.) Twenty-two stores on Broughton Street were vacant at the time the rating was made.

While any qualitative judgment might be debated, the central business district in Savannah could be termed "depressing" by a typical newcomer who is a prospective customer in the retail community. Entering the city on U. S. Highway 17 and turning onto Broughton from West Broad Street, the prospective customer would be exposed to the scene depicted in the photograph on page 24. Traveling east on Broughton Street, he would pass some 20 vacant stores and scenes such as those shown on the following pages. While there are some attractive stores facing Broughton Street, there is a tendency to remember the worst ones. Most of the stores need improvements -- some need painting, some merely need their windows cleaned, and some need structural changes. A few stores have been renovated to a height of 10 to 15 feet, but the cracked brick and unpainted second and third floors make for an unsightly contrast. Some owners have renovated the entire outside of their stores, and a few have installed planters on the sidewalk in an effort to enhance their appearance. The stores which have made the most improvements are among the ones which are most aggressive and apparently the most successful.

While some responsibility for improving the appearance of the downtown area lies in the hands of the merchants, it must be recognized that much of the property is owned by landlords who lease to the merchants. These individuals have a responsibility to maintain their property in an attractive manner, appropriate for the main street of a city the size of Savannah.

CHART 1

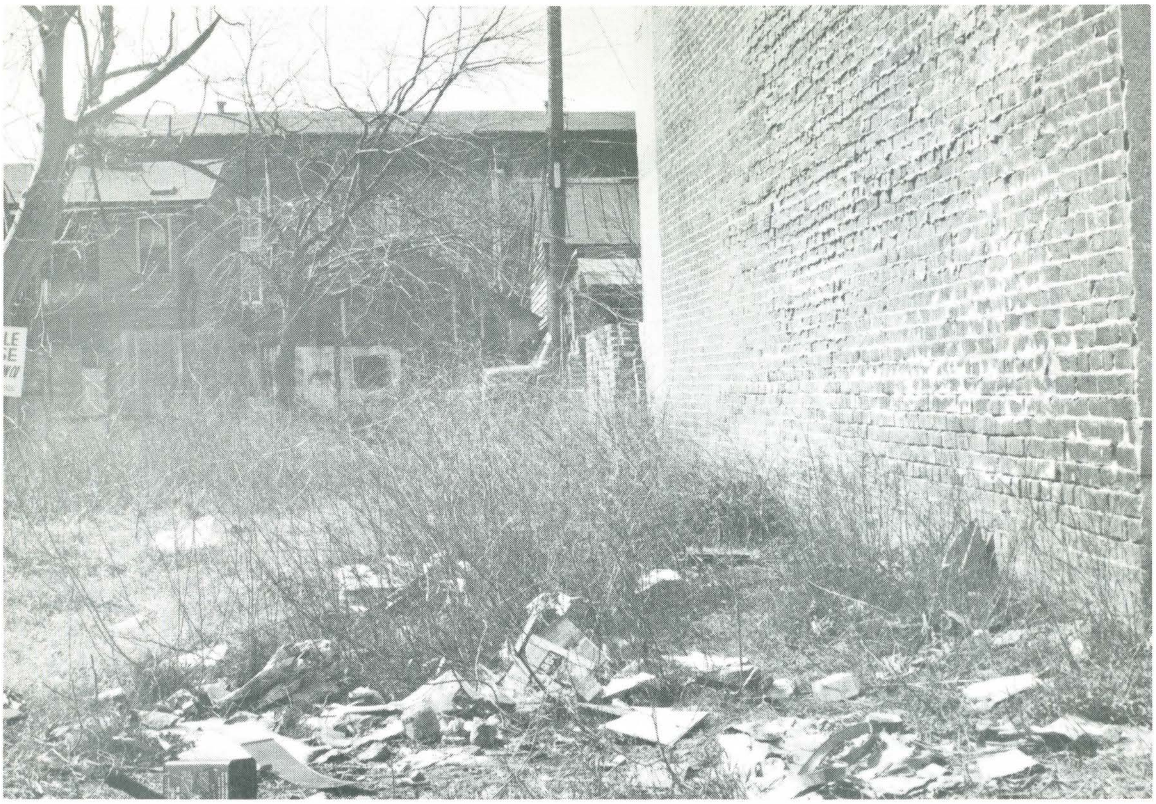
RATING OF APPEARANCE OF EXTERIORS OF RETAIL OUTLETS IN CENTRAL BUSINESS DISTRICT



Key: A = Good C = Poor
B = Average - = Vacancy

Note: Ratings do not refer to a specific store, but to a block or a section of a block.


UNCLE SAMS PAWN SHOP
UNCLE SAMS LOANS
UNCLE SAMS LOANS
JEWELRY
TOOLS
MOVER




CENTURY
FURNITURE
KING
DOLLAR STORES
CENTURY
CLEARANCE
SALE


Kassels
SHOES & ACCESSORIES
THE HUB
MEN'S
WEAR
EST.
1896


ALTERATIONS
THRIFT SHOP
FURS
CRAWFORD
FURNITURE CO.
SALE
USED
CLOTHES
LOW
PRICES
PHILCO
RADIO
SAVANNAH RADIO

Needed improvements are not confined to the stores. The sidewalks and streets are frequently dirty and in need of repair. The city government should make necessary efforts to clean and improve the condition of the streets. On the other hand, property owners should recognize their responsibility to properly maintain sidewalks on their property and should make improvements where needed.

There is evidence of a tendency to "chop up" a large store into two or more smaller stores. Broughton Street has several buildings which house two or three small shops under one roof. While there is some merit to this practice (it is usually easier to find tenants for the small shops), some such tenants are marginal in terms of sales, and therefore undesirable in the long run. It is probable that in many cases stores requiring large frontage or a large amount of floor space would be more desirable tenants than the small one-man shops.

The Downtown Revitalization Committee (DRC) has announced the goal of revitalizing the downtown area, which includes improving the environment on Broughton Street. To date, efforts by merchants to improve the appearance of stores on Broughton Street have been few and isolated. It is surprising that merchants in the downtown area have not made a more concerted effort to improve the general appearance of the central business district. However, in the face of the interest shown by the DRC, the merchants should vigorously undertake to do their share in improving and preserving the downtown area.

Comments received in the survey indicate that many consumers feel that the downtown area is quite unattractive and that there is considerable room for improvement. Several owners and managers of stores have indicated plans for renovation of their facilities. Apparently these improvements will be substantial. However, improvements in a few isolated instances will not be sufficient. All the merchants and owners who have facilities along Broughton Street, in recognition of their responsibilities to themselves and to Savannah and its citizens, must provide the central business district with the appearance it needs and deserves.

<u>Physical Appearance of Shopping Centers</u>. The larger shopping centers generally are modern, attractive, and clean. The structures appear to be in very good condition, although some need a coat of paint.

Some of the smaller shopping centers, however, tend to be less attractive. In some instances large signs detract from the appearance of the stores, and many of the stores need painting. Contributing to the unattractiveness of some of the smaller shopping centers is their awkward layout -- a problem which probably could not be resolved economically.

The general condition of most shopping centers is good. Most needed improvements could be accomplished with paint and brush and perhaps the replacement of some signs.

Traffic and Parking Patterns. A problem which faces many cities today is that of traffic congestion and inadequate parking facilities. Sheer increases in population and in the number of automobiles have added to the difficulty of maintaining a smooth flow of traffic and sufficient parking facilities. Contributing to and magnifying the problem is the fact that consumers are becoming more and more intent upon parking close to the place where they intend to shop. Most consumers will, if possible, avoid an area where they expect to encounter congestion and where they have difficulty parking close to their destination.

Major incentives for a shopper to patronize any retail community are the convenience and ease of getting to the area and the probability of parking with a minimum of delay. Ideally, several major arteries should empty into or near the area and there should be an abundance of parking spaces. While easy access to a retailing area and adequate parking facilities are often costly to achieve, they are important elements of the merchandising package.

At present the access routes to the downtown area do not provide the easy, rapid access that is needed to attract people into the area. Most of the routes have on-the-street parking, numerous stop signs, and busy intersections, all of which tend to detract from the desired convenience.

The area between East and West Broad and between Bay and Liberty streets has approximately 2,700 to 3,000 parking spaces, some 1,500 of which are metered. This number of spaces is probably sufficient for normal conditions. However, the inadequacy becomes evident during holidays and week ends. The possible need for additional parking facilities should be explored as a basis for private development.

Perhaps the major problem is the location of parking facilities. While the demand for parking is apparently greatest on either side of Broughton Street from Abercorn to Bull Street, the greater portion of the parking facilities are located toward the extremities of Broughton Street. Interestingly enough, most of the off-street parking is concentrated on the north side of Broughton Street; very little off-street parking is found to the south.

An often overlooked practice that can greatly reduce the number of parking spaces available for the consumer is the use of on-the-street parking by merchants and their employees. Due to the importance of parking facilities in the downtown area, this practice should be avoided.

The consumer survey indicated a distaste for the very short time periods on many parking meters downtown. Many consumers apparently disliked having to interrupt their shopping in order to check their meters.

Shopping centers in Savannah range in size from the very small, with five or six stores, to the larger, with approximately 20 to 25 stores. Almost without exception each shopping center is located at or near an intersection of main arteries which bring consumers from suburban areas.

A hazardous problem which is fairly common to all shopping centers is the lack of traffic signals to properly control the traffic entering and leaving the parking area. The problem is potentially very hazardous at the area of Crossroads, Victory Plaza, and K-Mart, expecially during hours of peak traffic. While these shopping centers have some traffic signals, the large volume of traffic at and near the intersection of Skidaway and Victory Drive creates some hazardous conditions. It is not likely that these conditions will be alleviated, however, until the necessary improvements are made to allow the thoroughfares to carry a larger volume of traffic.

Parking is generally inadequate at the shopping centers, with the exception of K-Mart and Westside. Apparently the other shopping centers have little or no room to expand their parking facilities. The over-all problem is most acute at peak shopping hours. If traffic continues to increase at these areas, the hazards of exit and entry and the lack of adequate parking space could become a more serious detriment to shoppers.

THE IMPACT OF THE CLOSING OF HUNTER AIR FORCE BASE

In an initial report prepared by Mr. J. R. Peterson of the Industrial Development Division staff, the economic repercussions of Hunter's closing were summarized in the following terms:

> Of the $11 million annual retail sales estimated to result from the Hunter Air Force Base payroll, approximately $10 million will be lost when the base is finally phased out.
>
> The loss of retail sales will have a greater impact on the community than any of the other losses associated with the closing of the Air Base. A substantial drop in retail sales usually has what is known as a "multiplier effect." A drop in retail sales itself causes an additional drop in retail sales, both because the retailer does not make as much to spend and because retail sales personnel often are laid off. Therefore, if the loss of funds is substantial, it could result in an additional, though smaller, loss of sales as well as a reduction in employment.
>
> Table 2 shows retail sales for Chatham County for six years. Where available, Census of Business figures are shown. For the years in between, Sales Management figures are used.

Table 2

CHATHAM COUNTY RETAIL SALES

Year	Retail Sales	Source
1958	$191,672,000	Census of Business
1959	204,683,000	Sales Management
1960	194,025,000	Sales Management
1961	180,956,000	Sales Management
1962	197,648,000	Sales Management
1963	201,690,000	Sales Management
	217,677,000	Census of Business

> In considering the ultimate possible loss of $10 million in retail sales and $3.5 million in wholesale sales in light of Chatham County's recent retail sales history, the following points should be noted:
>
> First, the total possible loss of $13.5 million in retail and wholesale sales is only 6% of the 1963 retail sales figure; the $10 million figure is only 4.6% of the total.
>
> Second, it will be noted that a single year's growth in retail sales for 1961 to 1962 is larger than the total possible loss of retail and wholesale sales.
>
> Third, Savannah has had losses in retail sales of comparable amounts in a single year previously.

Fourth, even if the figure for 1961 sales is too low, it still was lower than 1960. Therefore, Savannah has had large drops two years in a row, as confirmed by the drop in employment for 1959 through 1961 (Table 4) and has recovered very nicely.

Fifth, the amount of money involved will take effect not in one year but in two and one half years during a period when Chatham County seems to be growing rapidly.

This analysis of the broad economic impact appears to be confirmed by the estimates of the retailers themselves. Typical comments from individual merchants take an optimistic tone:

> In our business, we get a lot of colored trade: we'll miss the loss of trade from MATS people and from the supporting groups -- like the servants.
>
> We'll suffer for awhile, but we'll recover. We always have in situations like this.
>
> I don't get any business from the MATS men themselves, but I do pick up a lot of trade from their teenage children. We need more industry -- industry brings families.
>
> The slow phasing out of Hunter will help ease the pain. We'll lose some business, but things will get back to normal before too long.
>
> The closing of Hunter is a blessing. We've lived with this danger for years, and everybody has worried about it. I'm glad the place is closing. Now we can settle down and work together better than ever before.
>
> We never did get much business from MATS. We did from SAC. The closing of Hunter is a good thing in the long run. It has prompted us to take a hard look at our community and business needs, and it has stirred us to more unified action.
>
> Our business is better now than it was four years ago. We have a good middle price line that has a broad customer base. We'll feel the impact of Hunter closing but we'll live.
>
> Some towns which have lost military bases have come out much better in the long run. I think we will too.
>
> Our outlet is one of the biggest volume stores of its type in the state. We don't expect any problems. There shouldn't be any major impact from Hunter closing.

In precise terms, the probable economic impact can be summarized as follows:

1. There should be no serious long-term economic loss to the retailing community. The better merchants appear to be relieved that the decision on Hunter's closing has finally come. They seem confident that their own merchandising talents can offset any potential loss in trade. The smaller, less

aggressive merchants are more apprehensive. This is particularly true in the case of the lower-price-line stores whose present clientele includes a heavy segment of the servant and supporting worker groups now indirectly compensated from Hunter.

2. It is probable that the smaller stores, and especially those in the lower-priced lines of consumer goods, will decline in number. This action will likely result from a loss in purchasing power in the lower-income groups, as well as from a probable increase in the competitive atmosphere of the larger stores.

3. With the decrease in number of certain retail outlets, per outlet sales should increase. At present, retail sales appear to be widely diffused over a broad range of outlets as opposed to a market domination by a few stores. In the future, this balance may very well change to the advantage of the larger stores.

4. There should be no direct impact on the middle and upper-price-line stores. It is likely that they will increase aggressive merchandising efforts as the consumer market reshapes itself.

5. The experience of several comparable cities indicates that the economic loss of a military base is offset in a relatively short period. It frequently happens that such a loss tends to unify local efforts to attract new industry to replace missing payrolls. This same situation appears to be taking place in Savannah. The loss of Hunter has prompted a number of merchants to take a second look at both their individual and joint responsibilities in supporting the search for new industry.

RECOMMENDATIONS FOR AN ACTION PROGRAM

Suggestions for stimulating retail trade should be prefaced with a realistic premise: merchants are an independent lot. They are typically reluctant to organize in collective action and usually apprehensive of any joint effort which does not pay off in direct returns to their individual outlets. However, a point of view that may have been justified in years past is no longer valid in 1965. The aggressive merchandising efforts of both the large independent and the chain retailers require an imaginative response from the small independents. The recommendations that follow are intended to suggest guidelines for both individual and joint action.

Action by County and City Agencies

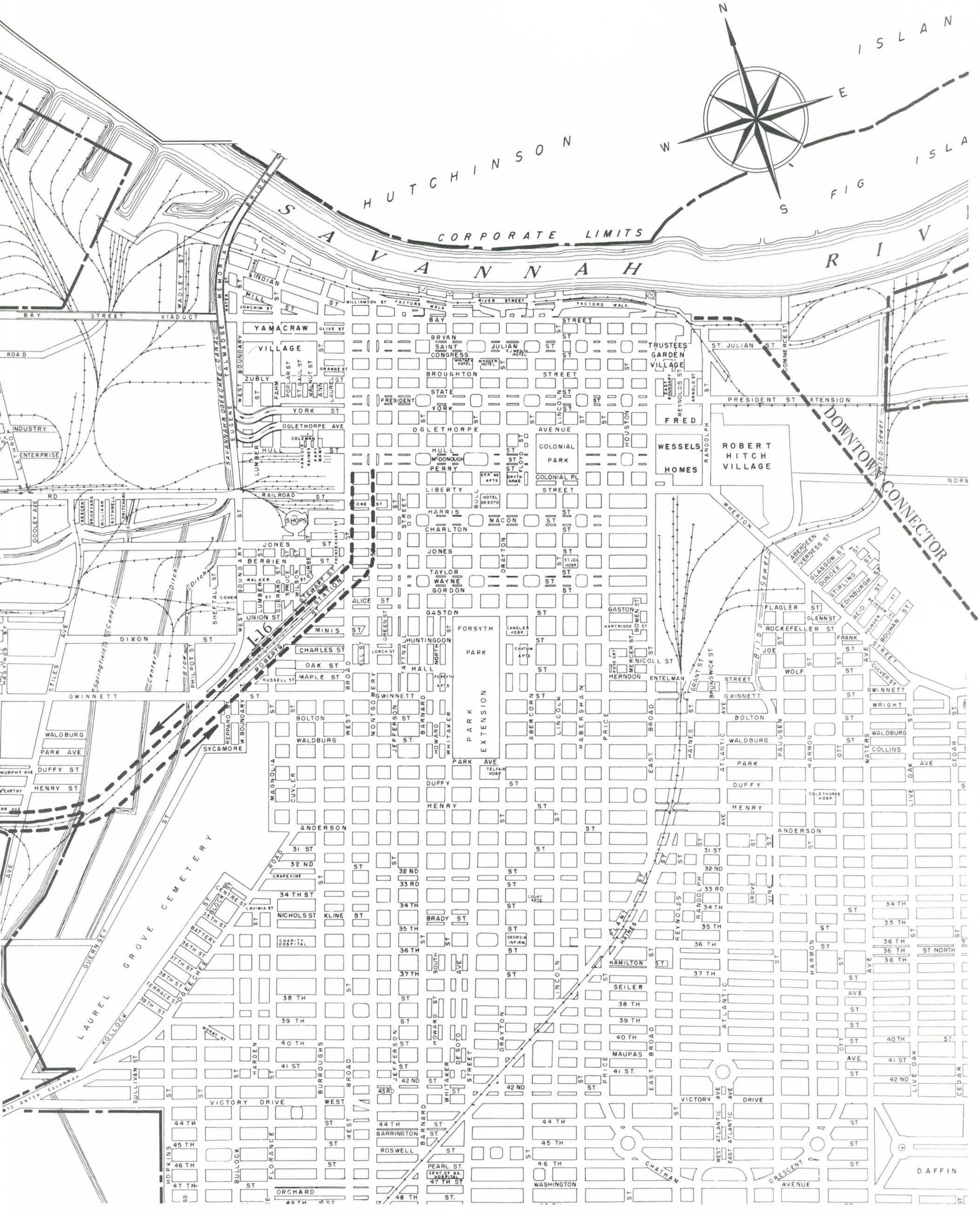
Parking. Present off-street parking facilities are inadequately distributed in the downtown area, and steps should be taken immediately to alleviate this problem. A study being made by the Metropolitan Planning Commission should provide data that can serve as bases for locating new parking facilities. The Downtown Merchants Association should meet with appropriate government officials to insure that the needs of the central business district are considered in the final plan.

Traffic Conditions. The flow of traffic into and within the downtown area is awkward. There is no fast-moving route which permits easy access into the area, and traffic patterns tend to create congestion and often hazardous conditions. The Metropolitan Planning Commission study referred to above should provide data which will assist in improving traffic conditions. The Downtown Merchants Association should encourage local government officials to adopt changes in current patterns which would facilitate traffic flow into and within the area. In addition, the transportation study, when completed, will define a route connecting the south side of Savannah with the downtown area. It would be in the interest of the Downtown Merchants Association to meet with planning officials and express their interests and opinions on the routes under consideration. (See Map 1.)

Several shopping centers have potentially hazardous problems of exit and entry from streets to parking areas, and vice versa. The city or county traffic engineering departments, upon request of the local merchants, should

MAP 1

PROPOSED ACCESS ROUTES TO DOWNTOWN SAVANNAH AREA



investigate the situations to determine what action is necessary to eliminate or reduce the problems.

The rights-of-way of routes leading into the downtown area are poorly kept, as are the streets and sidewalks within the area. Photographs on the following page illustrate the amount of trash and litter which is common in many areas of the city. The city and county governments should take steps to insure that the present poor standards of housekeeping are improved. Organizations such as the Downtown and Suburban Merchants associations, Downtown Revitalization Committee, and the Chamber of Commerce, which are concerned with the physical appearance of Savannah, should collectively or individually express the need for better services in this regard.

Cooperative Efforts

Merchants Association. The Downtown Merchants Association needs to be reactivated with the strong support of all merchants. This group should plan and coordinate all joint projects designed to stimulate retail trade. While the Suburban Merchants Association is already active in promotion, it should evaluate the scope of its activities. An important function of both the Downtown and Suburban Merchants associations should be to insure, to the extent possible, that the interests of the retail community are met in such areas as city planning, tourist promotion, tax structures, industrial development, and city and county services.

Downtown Revitalization Committee. The Downtown Revitalization Committee has been formed with the "over-all objective to revitalize the area bounded by Liberty Street and the river and by East Broad and West Broad streets." The Committee's more specific objectives include improved parking, accessibility to the downtown area, the environment on Broughton Street, and a clean-up of the downtown area. All of these are worthwhile and steps to attain them should begin immediately. It is recommended that the Downtown Merchants Association cooperate with the Downtown Revitalization Committee in attaining mutually beneficial goals.

Tourist Promotion. Savannah, a town rich in history, has several groups and organizations working to retain the historic features of the area and to promote tourism. The prospects of an increase in tourist trade has direct meaning for the merchant. Increased tourist activity boosts many segments of


4 Mi.
HEART OF SAVANNAH
MOTEL
QUALITY COURTS
ON U.S. 17 AND 80
DOWNTOWN

the economy. One merchant of a medium-sized store remarked that he usually adds six salespeople for Saint Patrick's Day. This impact could be multiplied on a continuing basis with a significant increase in tourist traffic.

If for no reason other than the economic benefit which would accrue to them, the merchants of Savannah should vigorously support efforts to stimulate tourist trade.

Action by Individual Merchants

Sales Personnel. In the consumer survey, the most frequently mentioned area of needed improvements related to the competency and attitudes of salespeople. It is the responsibility of the store manager to insure that his customers are served by well-groomed, pleasant, and well-informed salespeople. Failure to meet this responsibility can result in the decline of sales and profits. In light of the important role of the salesman, it is recommended that each merchant undertake to evaluate employee performance on a systematic basis. For stores not having a program for rating employees, a rating form such as the one illustrated in Appendix 2 would be acceptable for most situations. It is further recommended that each store not having a training program adopt one suitable to its needs. The lessons outlined in Appendix 3 can serve as framework for a training program. Those stores having training programs and means for evaluating employee performance should review them to insure that they meet their objectives.

Appearance of Stores. The exteriors of many stores in the downtown area are unattractive. The Downtown Merchants Association and the Downtown Revitalization Committee should sponsor jointly a campaign to encourage merchants and landlords having properties on Broughton Street to improve the exteriors and interiors of these properties. The decision to make improvements and the extent of such improvements would be in the hands of the property owners. The sponsoring organizations should illustrate to each landowner the need for preserving and stimulating retail growth in the downtown area. For those who decide to initiate programs of renovation or improvement, the sponsoring organizations should establish basic guidelines or a suggested check-list of improvements.

Variety of Merchandise. Comments from consumers have indicated a lack of variety of merchandise. Specific comments have referred to a lack of variety of high-quality clothing and current styles and colors. These comments have been made with reference to stores in suburban shopping centers as well as stores in the downtown area. While it is not economically feasible for all stores to carry very broad lines of merchandise, it is recommended that each store manager re-evaluate his current lines of merchandise. The objective of such an evaluation would be to arrive at an over-all line of merchandise which would have the greatest appeal to his clientele.

Advertising and Promotion. Presently, very few stores in Savannah have consistently strong advertising programs. A reasonable explanation for this situation is that many small stores cannot afford the costs involved. The benefits of advertising are not questioned, but in many instances the costs are prohibitive. It is recommended that merchants in the downtown area adopt the frequent use of cooperative advertising. This technique is designed to attract people into the area. After attracting shoppers into the area, it is the task of each store to sell to the consumer. Under this plan, advertising costs can be reduced significantly compared with individual advertising. Co-operative advertising is being used by suburban merchants, apparently with success. The Downtown Merchants Association should encourage and coordinate such a plan.

General Merchandising Practices. One of the subtle but distinguishing characteristics of retailing is the usual requirement that the customer must come to the store to buy. The retailer must first attract the customer to his store and then persuade him to buy. Of obvious importance is the requirement that the customer must have buying power to support his needs and desires.

The most effective defense for a merchant against the lure of competing trade centers is the creation of a customer following based on something other than his convenient location or his personal friendship with customers. While local retailers do have such basic assets, these advantages often lead a merchant to conclude that other factors, such as the quality of customer service or the attractiveness of the store, are not particularly important. While they may not be important to the inner circle of long-time customers, they are important in building new trade. An awareness of these principles has been demonstrated by several successful stores in Savannah; the concept could be profitably applied by some of the other outlets.

Finally, retailing tends to be part art and part science. While most of the sophisticated principles of industrial management are recognized, if not applied, in small manufacturing operations, the specialized management methods of large retailers have not spread as widely to small retailers. In the first place, many retailers are satisfied with things the way they are. Secondly, many find it difficult to justify the cost of some of the ideas used successfully by larger firms. Finally, the typical small independent retailer tends to be basically a trader, with a good part of his success dependent upon his instinct for both the purchasing power and preferences of his customers.

In the Savannah environment -- with competition from Atlanta and nearby cities -- the future growth of retail trade activity will depend upon an intelligent and aggressive approach to capturing the potential sales volume in the trading area.

APPENDICES

Appendix 1

CONSUMER SURVEY FORM

1. Occupation of husband________________ Occupation of wife______________

2. Where do you buy the following goods? (Downtown or a shopping center and give reasons why)

   Groceries____

   ____

   Lumber, Building Supplies, Hardware____________________

   ____

   Drugs____

   ____

   Furniture and Appliances______________________________

   ____

   Automobiles____

   ____

   Clothes____

   ____

3. Do you shop in any towns other than Savannah?__________

   If so, which one(s)?_________________________________

   ____

   Why do you shop there?______________________________

   ____

   What do you buy?____________________________________

   ____

4. How would you rate Savannah in terms of:

	Excellent	Satisfactory	Marginal	Unsatisfactory
Credit Policies	______	______	______	______
Competitive Prices	______	______	______	______
Variety of Merchandise	______	______	______	______
Quality of Merchandise	______	______	______	______
Service Policies	______	______	______	______
Well-trained Salespeople	______	______	______	______
Attractive Display	______	______	______	______
Customer Relations	______	______	______	______

Appendix 1

CONSUMER SURVEY FORM
(continued)

5. What do you like most about Savannah retailers?____________________

6. What could be improved most about Savannah retailers?____________________

7. Do you consider the downtown shopping district attractive?__________
Comments:____________________

8. Are the parking facilities adequate in the downtown shopping district?
__________ Comments:____________________

9. Do you consider the shopping centers attractive?____________________
Comments:____________________

10. Are the parking facilities adequate in the shopping centers?__________
Comments:____________________

11. What improvements are needed in the downtown shopping district in order to make it a better place to shop?____________________

12. What improvements are needed in the shopping centers in order to make them better places to shop?____________________

13. In your opinion, what types of stores and services are needed most in Savannah?____________________

Interviewer's Comments:____________________

Appendix 2

SALESMAN'S RATING SCALE

	Superior	Satisfactory	Unsatisfactory
Appearance and Decorum			
Attitude toward Assigned Work			
Stock Control			
Knowledge of Stock			
Salesmanship			
Knowledge of Policies and Procedures			
Attitude toward Shoppers			

Strong Points:

Areas Needing Improvement

Appendix 3

INITIAL TRAINING PROGRAM FOR SALES PERSONNEL

Organized training of new people is desirable in every store. The amount and nature of initial training for newly employed salespeople varies, of course, according to the needs of the store. There are, however, certain fundamental things which the new salesperson should know. These are store organization and policy, store rules and regulations, selling systems, salesmanship, and certain job instructions, such as merchandise location, merchandise assortments, and general merchandise information likely to be required of salespeople by customers. Whether or not they are taught in central classrooms or on the job will depend upon the size of the store and its organization for training. Ideally, organization, policies, rules and regulations, and systems should be taught centrally in classrooms by a member of the training staff. In a small store, however, these items and other portions of the training program can be taught by a department manager, the store manager, or even a salesperson.

The following outline is a suggested framework for an initial training program. Each lesson should be designed to best meet the needs of the individual store.

Lesson I. Introduction of employee to the store through facts about history of store and a discussion of general policies

Included in the lesson would be a brief history of the store from its founding to its present organization. The new worker would have a chance to become familiar with current officers, department heads, and other important personnel. The lesson would cover the percentage of charge business the store handles, the delivery service used and its cost to the store, interesting merchandising statistics, and policies of the store concerning customers as well as employees.

Lesson II. To teach the layout of the entire store

The new employees would be taken on a tour of each selling department. In addition they would visit the receiving area, stock rooms, and various offices, such as credit and accounting. A brief description of the operations of each department would be included in the tour.

Appendix 3

INITIAL TRAINING PROGRAM FOR SALES PERSONNEL
(continued)

Lesson III. <u>To teach the various selling systems</u>

The new employee should have an explanation of the operations necessary to complete a sale, including filling out a sales check, operating the cash register, etc. At this time the salesperson should be given an opportunity to practice the operation.

The salesperson should have any other types of transactions explained and should be given an opportunity to practice each. Included would be how to properly handle a charge transaction, a C.O.D. transaction, a lay-away, and an exchange (even and uneven) of merchandise.

Due to the importance of proper handling of various transactions, special care should be given to insure the competency of each salesperson in this phase of selling.

Lesson IV. <u>To give the general fundamentals of salesmanship</u>

This lesson should acquaint the salesperson with the principles of good salesmanship, including meeting the customer, relating merchandise to customer needs, developing interest by giving facts about the merchandise, meeting sales resistance, and closing the sale.

Lesson V. <u>Learning the merchandise of the department to which the new salesperson is assigned</u>

The salesperson would have an opportunity to familiarize himself with the layout of the department and with the merchandise. The department head or a competent salesperson should be available for questions or any necessary instruction.

Lesson VI. <u>Follow-up</u>

The new employee should be given a chance to ask any questions he might have, especially concerning any difficulties he may encounter. Also, the manager or training sponsor might give any further instruction which might be necessary.